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November 1, 2005

Michael S. Beer
VP - Rates & Regulatory
Kentucky Utilities Company
c/o Louisville Gas & Electric Co.
P. O. Box 32010
Louisville, KY 40232-2010

CERTIFICATE OF SERVICE

RE: Case No. 2005-00242
Kentucky Utilities Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on November 1, 2005.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO.
UTILITIES COMPANY FROM)	2005-00242
NOVEMBER 1, 2004 TO APRIL 30, 2005)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on July 7, 2005, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Kentucky Utilities Company ("KU") for the six months ended April 30, 2005.

As part of this review, KU, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056 and, on August 19, 2005, filed supplemental information in response to a Commission Staff data request. A public hearing was held on September 22, 2005.

The Commission has previously established KU's base fuel cost at 14.94 mills per kWh.¹ A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 17.05 mills in November 2004 to a high of 20.06 mills in April 2005, with a six-month average of 18.17 mills.

¹ Case No. 2002-00433, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period November 1, 2004 to April 30, 2005 are approved.

Done at Frankfort, Kentucky, this 1st day of November, 2005.

By the Commission

ATTEST:



Executive Director